

PURPOSE

The Utility Capital Improvements Program budget provides for the construction of wastewater systems and water transmission, distribution and supply facilities, to include the engineering and acquisition program for additional groundwater supplies. Other water and wastewater system improvements are financed by accumulated Authority funds for rehabilitation, replacement, extensions and expansions.

BUDGET COMMENTS

This budget proposes to direct facility fees (the initial connection fees when a new house or business connects to the system) towards financing Expansion projects and to transfer budgeted operating fund revenue (commodity service charges) towards financing Rehabilitation and Replacement (R & R) projects.

BUDGET SUMMARY

	FY 01 Budget	FY 02 Adopted Plan	FY 02 Adopted
<u>Revenues:</u>			
Operating Fund Transfer	\$ 2,516,707	\$ 2,529,383	\$ 2,672,907
Facility Charges	<u>2,969,883</u>	<u>3,451,680</u>	<u>3,451,680</u>
Total Revenue	\$ <u>5,486,590</u>	\$ <u>5,981,063</u>	\$ <u>6,124,587</u>
<u>Expenditures:</u>			
Water Supply	\$ 2,335,590	\$ 2,594,063	\$ 2,386,587
Water Distribution	0	170,000	170,000
Water Storage	0	0	0
Small System Acquisition	50,000	50,000	0
Water Transmission	500,000	500,000	500,000
Sewer System Improvements	2,501,000	2,487,000	2,888,000
Other Projects	<u>100,000</u>	<u>180,000</u>	<u>180,000</u>
Total Expenditures	\$ <u>5,486,590</u>	\$ <u>5,981,063</u>	\$ <u>6,124,587</u>

The FY 2002-2006 Capital Improvements Program (CIP) consists of seven separate, but interrelated, segments of the utility program, all of which are important in keeping pace with County development. The proposed five-year plan defines an integrated program for the development of each of the six segments along parallel time frames, designed for adequate service to be provided in step with the County Comprehensive Plan and Strategic Management Plan. A brief description of the essential features of the six segments follows:

1. WATER SUPPLY (105-100)

Water Supply Escrow (1015) - This is a modified project request. This escrow account has been established to provide funding for new water supply projects in the future. This funding will allow the JCSA to explore other alternatives to meet the water demands of James City County in the future. Payments for costs to connect to the Newport News Waterworks will be made from this account. The existing fund balance of \$2,358,901 is requested to be carried forward in the FY 2002-2006 CIP with an additional \$3,554,187 requested over the five-year CIP to maintain this escrow. This is an expansion project.

Tank Coatings (1100) - This is a modified project request. This request is to provide for water tank coating inspections and repairs to protect tank surfaces from corrosion and limit bacteria formation. The existing fund balance of \$123,271 is requested to be carried forward in the FY 2002-2006 CIP with an additional \$125,000 requested over the five-year CIP. This is a rehabilitation project.

Confined Space Entry Improvements (1145) – This is a modified project request. This project provides for the installation of additional manways in water storage tanks. The existing fund balance of \$65,000 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$260,000 is requested over the next five years to complete this project. This is a rehabilitation project.

W-4 (Pottery) Upgrade (1150) – This is a modified project request. This project allows for the removal of the hydropneumatic tanks, installation of a variable frequency drive, and station controls upgrade. The existing fund balance of \$75,275 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$150,000 is requested in FY 2002 to complete this project. This is a rehabilitation project.

Desalination Plant (1155) – This is a new project request. This project provides for the development and construction of a Desalination Plant to meet future water demands. Project will be funded with a combination of connection fees, utility revenue funds, and debt financing. The existing fund balance of \$558,714 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$19,100,000 is requested over the next five years to complete this project. This is an expansion project.

2. WATER DISTRIBUTION (105-110)

Water System Improvements (1150) - This is a modified project request. This project will provide funds for water distribution improvements to include installing water mains to close distribution loops and up sizing mains to enhance water distribution. The existing fund balance of \$177,180 is requested to be carried forward in the FY 2002-2006 CIP. An additional \$800,000 is requested over the next five years to complete this project. This is a rehabilitation project.

Automatic Meter Reading System (1190) - This is a modified project request. This project provides for the replacement of existing water meter registers with an encoder register that will improve meter reading 2-3 times faster and can shorten billing cycle. The existing fund balance of \$30,158 is requested to be carried forward in the FY 2002-2006 CIP with an additional \$340,000 requested over the five-year CIP to complete this project. This is a replacement project.

Waterline Replacement Escrow (XXXX) – This is a new project request. This project will allow for identification and replacement of aging waterlines in Brookwood, Kingswood, Kingspoint, Norvalia, and along Jamestown Road. A total of \$1,500,000 is requested over the next five years to complete this project. This is a replacement project.

Canterbury Hill Waterline (XXXX) – This is a new project request. This project will allow for the replacement and upgrade of water distribution system. A total of \$190,000 is requested to complete this project. This is a replacement project.

3. WATER STORAGE (105-120)

Water Storage Escrow (1240) - This is a modified project request. This project provides for the construction of multiple size water storage tanks in the PSA in accordance with the Master Water Plan. The existing fund balance of \$1,242,692 is requested to be carried forward in the FY 2002-2006 CIP with an additional \$500,000 requested to complete the project. This is an expansion project.

4. WATER TRANSMISSION (105-140)

Sydnor Water System Replacement (1492) – This is a modified project request. This project will allow for the replacement of waterlines in First Colony, Old Stage Manor, White Oaks, and Indigo Park subdivisions. The existing fund balance of \$517,759 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$1,960,000 is requested over the next five years to complete this project. This is a replacement project.

Transmission Main Improvements (1495) - This is a modified project request. This project provides for the replacement of water transmission lines to convey large volumes of water through existing distribution system to enhance system pressures, fire flows, and water quality. The existing fund balance of \$317,460 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$800,000 in additional funding is requested over the five-year CIP. This is a replacement project.

5. WASTEWATER IMPROVEMENTS (105-150)

Inflow and Infiltration (2020) - This is a modified project request. The purpose of this project is to make repairs to the sanitary sewer system to eliminate extraneous water. The existing fund balance of \$303,175 requested to be carried forward to FY 2002-2006 CIP with an additional \$500,000 requested over the five-year CIP to complete this project. This is a rehabilitation project.

Odor Control System (2045) - This is a modified project request. The project will provide for the installation of an odor control system at the most offensive lift stations. The existing fund balance of \$38,700 is requested to be carried forward in the FY 2002-2006 CIP. An additional \$80,000 is requested to complete this project. This is a rehabilitation project.

Powhatan Creek Force Main (2055) - This is a modified project request. This project provides for the installation of a new force main along Powhatan Creek in order to accommodate increased flows and new pump station. The existing balance of \$538,956 is requested to be carried forward to FY 2002-2006. A total of \$840,000 in additional funding is requested to complete this project. This is an expansion project.

Tutter's Neck Force Main (2063) - This is a modified project that involves the replacement of failing 6-inch sewer force main on Tutter's Neck in Kingsmill. The existing fund balance of \$104,488 is requested to be carried forward in the FY 2002-2006 CIP. An additional \$100,000 is requested to be set aside for this project. This is a replacement project.

Sewer System Improvements (2100) - This is a modified project request. This project will provide funds for sewer system improvements during the next five years. The existing balance of \$161,096 is requested to be carried forward in the FY 2002-2006 CIP while an additional \$800,000 is required to complete this project. This is a rehabilitation project.

Right-of-Way Clearing (2105) - This is a modified project that involves the clearing of brush and trees along approximately 60 miles of right-of-ways held by the JCSA. This project helps reduce inflow and infiltration by eliminating threats to water and sewer lines such as root growth. A total of \$250,000 is requested over the five-year CIP to complete this project. This is a rehabilitation project.

Lift Station 7-2 (Burton Woods) Rehabilitation (2215) – This is a modified project request. This project includes rehabilitation of existing controls and building and the replacement of existing pumps. The existing fund balance of \$177,381 is requested to be carried forward in the FY 2002-2006 CIP. An additional \$57,000 will be required to complete this project. This is a rehabilitation project.

Lift Station Wet Well Cleaning Contract (2250) – This is a modified project request. This contract would provide for annual cleaning of all Lift Station wet wells to remove grease and grit. This type of service is required to prevent sewer spills and damage to station pumps and generators. The existing fund balance of \$93,023 is requested to be carried forward in the FY 2002-2006 CIP. An additional \$265,000 is requested to continue this service on an annual basis. This is a rehabilitation project.

Lift Station Access Road Improvements (2260) – This is a modified project request. This request will provide funds to make improvements to access roads for LS 1-2, 1-6, 3-2, 3-5, 6-2, and 6-3. A total of \$137,300 is requested to complete this project. This is a rehabilitation project.

Lift Station Wet Well Rehabilitation (2265) – This is a modified project request. This contract will provide for leak repair, root intrusion, and structural defects in facility wet wells. It is anticipated that six to eight stations will be identified in the initial study. A total of \$485,000 is requested to complete this project. This is a rehabilitation project.

Lift Station Dry Well Rehabilitation (2266) – This is a modified project. This contract will provide for leak repair, improving atmosphere (humidity) and paint walls/equipment. It is anticipated that six to eight stations will require this rehabilitation. The existing fund balance of \$151,642 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$505,000 is requested to complete this project. This is a rehabilitation project.

Lift Station 1-2 (John Tyler Highway) Replacement (2270) – This is a modified project request. This project will provide for a new facility replacement with more capacity and capability to discharge directly into HRSD force main. The existing fund balance of \$1,254,688 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$746,000 is requested to complete this project. This is a replacement project.

Gravity Sewer Survey (2275) – This is a modified project request. The purpose of this study is to survey existing trunk sewers and establish a hydraulic model. This model would allow the JCSA to monitor the trunk sewers and ensure that adequate capacity is available. The existing fund balance of \$25,000 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$125,000 is required to complete this survey. This is a rehabilitation project.

First Colony Sewer System Rehabilitation (2295) – This is a modified project request. This project will provide the replacement of existing sewer lines. The existing fund balance of \$500,000 is requested to be carried forward in the FY 2002-2006 CIP. A total of \$500,000 is requested in FY 2002 to complete this project. This is a replacement project.

Lift Station Controls (XXXX) – This is a new project request. This project will provide for upgrade of facility controls, electrical wiring and generator replacement. A total of \$300,000 is required to upgrade six facilities. This is a rehabilitation project.

Lift Station Upgrades (XXXX) – This is a new project request. This project will provide for the replacement of old compressors at seven facilities as well as replacement of station controls. A total of \$610,000 is requested in FY 2002 and FY 2003 to complete this project. This is a rehabilitation project.

Lift Station 6-8 (Toano) Force Main (XXXX) – This is a new project request. This project will allow for the installation of a new force main that will tie directly into the HRSD line from Lift Station 6-8. A total of \$670,000 is requested in FY 2003 to complete this project. This is an expansion project.

Sewer System Overflow Report Preparation (XXXX) – This is a new project request. EPA is preparing to implement new sewer system overflow (SSO) regulations which will generate considerable report preparation and data collection requirements. This project will provide for Engineering Services to supplement in-house efforts in responding to the new requirements. A total of \$50,000 is requested in FY 2002 for this project. This is an expansion project.

6. OTHER PROJECTS (105-160)

Heavy Equipment (3085) - This is a modified request to replace several heavy equipment items. Scheduled equipment replacement includes a one-ton truck and portable pump in FY 2002. All terrain vehicle, jet vac truck, backhoe, mini-jet vac truck, one-ton truck and line truck in FY 2003. Line truck, crane truck, and backhoe in FY 2004. Dump truck and pump/haul truck in FY 2005. Various trucks are projected for replacement in FY 2006. A total of \$1,150,000 is requested over the five-year CIP. This is a replacement project.

Record Drawings (3090) – This is a modified project request. This project will allow for the continued creation of electronic infrastructure files of existing record drawings. The existing fund balance of \$86,614 is requested to be carried forward to FY 2002. An additional \$50,000 is requested in FY 2002. This is a replacement project.

7. BANK ACCOUNT FUND BALANCE

The JCSA Investment Policy statement was approved by the Board of Directors on September 18, 1995, and was amended April 22, 1997. The funds are managed by TRUSCO Capital Management and has a fund balance of \$20,354,578 as of February 28, 2001. The JCSA has \$14,036,999 committed to approved capital improvements as of January 31, 2001. The balance of \$6,317,579 is being held in reserve for critical emergencies and future development of water supply. This fund balance will fluctuate day-to-day as new revenue is deposited and expenditures are made for both operating costs and capital improvement projects.